

BRANDON UNIVERSITY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2008



**BRANDON
UNIVERSITY**

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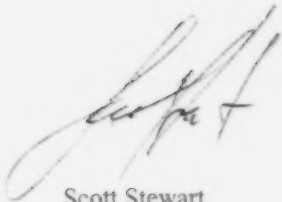
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BRANDON UNIVERSITY

Responsibility for Financial Statements

The Office of the Vice-President (Administration & Finance) of Brandon University is responsible for the preparation and presentation of the financial statements and accompanying notes. The financial statements are prepared in conformity with the accounting policies noted in the financial statements, and are reviewed and approved by the Board of Governors. The Provincial Auditor of the Province of Manitoba, whose opinion is included herein, examines the statements.

To fulfil its responsibility, the University maintains internal control systems to provide reasonable assurance that relevant and reliable financial information is produced.



Scott Stewart
Treasurer, Board of Governors



Scott J. B. Lamont, CGA, MBA
Vice-President (Administration & Finance)

May 16, 2008



AUDITORS' REPORT

To the Legislative Assembly of Manitoba and
To the Board of Governors of Brandon University

We have audited the statement of financial position of Brandon University as at March 31, 2008, and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2008, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
May 16, 2008

Carol Bellringer, FCA•MBA
Auditor General

Brandon University

Statement of Financial Position as at March 31, 2008

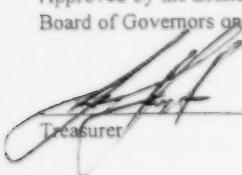
ASSETS

	2008	2007
Current Assets		
Cash and cash equivalents (note 3)	\$ 5,594,254	\$ 6,765,842
Accounts receivable	3,547,530	1,685,569
Inventory	439,053	409,040
Prepaid expenses	<u>256,320</u>	<u>253,958</u>
	<u>9,837,157</u>	<u>9,114,409</u>
Capital Assets and Collections (notes 2E and 6)	<u>40,671,928</u>	<u>40,945,646</u>
	<u>\$ 50,509,085</u>	<u>\$ 50,060,055</u>

LIABILITIES & NET ASSETS

	2008	2007
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,856,323	\$ 2,666,663
Deferred income	289,183	248,437
Deferred contributions (note 7)	3,226,643	2,865,905
Current portion of long term debt (note 9)	<u>111,002</u>	<u>104,282</u>
	<u>6,483,151</u>	<u>5,885,287</u>
Long term Liability		
Unfunded employee future benefits	950,000	888,000
Mortgages payable (note 9)	<u>1,315,122</u>	<u>1,426,123</u>
	<u>2,265,122</u>	<u>2,314,123</u>
Unamortized Deferred Capital Contributions (note 7)	<u>30,983,780</u>	<u>32,156,051</u>
Net Assets		
Unrestricted net assets	1,891,465	1,914,538
Internally restricted net assets (note 5)	623,541	530,864
Investment in capital assets and collections	<u>8,262,026</u>	<u>7,259,192</u>
	<u>10,777,032</u>	<u>9,704,594</u>
	<u>\$ 50,509,085</u>	<u>\$ 50,060,055</u>

Approved by the Brandon University
Board of Governors on June 26, 2008


Treasurer


Vice-President (Administration & Finance)

The accompanying notes are an integral part of these financial statements.

Brandon University

Statement of Changes in Net Assets for the year ended March 31, 2008

	Unrestricted Net Assets	Internally Restricted Net Assets	Investment in Capital Assets and Collections	Total 2008	Total 2007
Balance, beginning of year	\$ 1,914,538	\$ 530,864	\$ 7,259,192	\$ 9,704,594	\$ 8,808,320
Reclassify account balances					(2,753)
Restated balance, beginning of year	1,914,538	530,864	7,259,192	9,704,594	8,805,567
Excess of revenues over expenses	1,065,942			1,065,942	857,887
Direct increases to net assets					
Donations of capital assets			6,496	6,496	41,140
Transfers					
Internally funded					
Capital asset additions	(1,817,078)		1,817,078		
Capital asset disposals (net)	5,864		(5,864)		
Amortization	919,158		(919,158)		
Repayment of long term debt	(104,282)		104,282		
Allocation to internally restricted net assets	(236,189)	236,189			
Internally restricted net asset purchases	<u>143,512</u>	<u>(143,512)</u>			
Balance, end of year	<u>\$ 1,891,465</u>	<u>\$ 623,541</u>	<u>\$ 8,262,026</u>	<u>\$ 10,777,032</u>	<u>\$ 9,704,594</u>

The accompanying notes are an integral part of these financial statements.

Brandon University

Statement of Operations

for the Year Ended March 31, 2008

	2008	2007
Revenues		
Tuition fees and other student fees	\$ 9,670,205	\$ 9,679,692
Grants		
Council on Post-Secondary Education	30,373,696	27,714,213
Province of Manitoba	519,296	540,403
Government of Canada	2,200,760	1,768,023
Sales of goods and services	6,328,444	6,440,886
Brandon University Foundation	1,895,921	2,071,568
Amortization of deferred capital contributions	2,250,301	2,281,090
Gain on disposal of capital assets		76,985
Miscellaneous	<u>1,698,542</u>	<u>1,148,058</u>
	<u>54,937,165</u>	<u>51,720,918</u>
Expenses		
Salaries - academic	18,135,906	17,510,541
Salaries - support	12,109,102	11,463,699
Benefits	4,516,366	4,375,852
Travel	1,597,369	1,662,348
Supplies and consumable expenses	8,104,433	7,223,334
Major renovations	1,925,693	1,261,855
Property taxes	139,546	117,747
Utilities	1,092,180	1,207,085
Cost of goods sold	1,893,074	1,915,022
Scholarships and bursaries	1,073,185	1,005,420
Interest on long term debt	112,306	118,598
Amortization expense	3,169,458	3,001,530
Loss on disposal of capital assets	<u>2,605</u>	<u></u>
	<u>53,871,223</u>	<u>50,863,031</u>
Excess of revenues over expenses	<u>\$ 1,065,942</u>	<u>\$ 857,887</u>

The accompanying notes are an integral part of these financial statements.

Brandon University

Statement of Cash Flow for the Year Ended March 31, 2008

	2008	2007
Cash Provided By (Used In) Operating Activities		
Excess of revenues over expenses	\$ 1,065,942	\$ 857,887
Items not affecting cash flow		
Amortization of deferred capital contributions	(2,250,301)	(2,281,090)
Amortization of capital assets	3,169,458	3,001,530
Loss/(gain) on disposal of capital assets	2,633	(76,985)
Increase in non-cash operating working capital	<u>(1,241,218)</u>	<u>2,387,934</u>
	<u>746,514</u>	<u>3,889,276</u>
Cash Provided By (Used In) Investing Activities		
Decrease in loan receivable		43,560
Capital asset additions	(2,901,603)	(2,493,383)
Proceeds on disposal of capital assets	<u>3,257</u>	<u>89,385</u>
	<u>(2,898,346)</u>	<u>(2,360,438)</u>
Cash Provided By (Used In) Financing Activities		
Long term debt repayments	(104,282)	(97,990)
Capital contributions received	<u>1,084,526</u>	<u>760,578</u>
	<u>980,244</u>	<u>662,588</u>
Increase/(Decrease) in cash and cash equivalents	(1,171,588)	2,191,426
Cash and cash equivalents, beginning of year	<u>6,765,842</u>	<u>4,574,416</u>
Cash and cash equivalents, end of year	<u>\$ 5,594,254</u>	<u>\$ 6,765,842</u>

The accompanying notes are an integral part of these financial statements.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

1. Authority and Purpose

Brandon University operates under the authority of the Brandon University Act of the Province of Manitoba. Brandon University offers undergraduate programs in arts, science, education, music, and health studies; and offers graduate programs in education, music and rural development. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

A. General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

B. Revenue Recognition

Operating grants are recognized as revenue in the period received. Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered or substantially rendered and collection is reasonably assured.

The University accounts for contributions using the deferral method. Deferred contributions are externally restricted non-capital contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for the purposes designated by external parties.

Externally restricted contributions for the acquisition of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received and, when expended, are transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

C. Short Term Investments

Short term investments are recorded at fair value and are unspent operating, capital and restricted funds that are invested to generate income used to fund general operations of the University. Short term investments also includes a mutual fund that provides a benefit provision for a former WESTARC employee as a part of that individual's contract of employment.

D. Brandon University Foundation

Funds transferred from the Brandon University Foundation to the University are recorded as revenue in the period they were received by the University.

The accounts of the Brandon University Foundation do not form part of the financial statements of the University. The financial statements of the Foundation are audited on an annual basis.

E. Capital Assets and Collections

Capital assets purchased by the University are recorded at cost. Donated assets are recorded at the fair market value on the date received. On the disposition of a capital asset, both the cost and any

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

accumulated amortization are removed from the accounts.

Capital assets are amortized on a straight line basis over the estimated useful lives of the assets. Amortization rates are as follows:

Buildings	50 years
Furniture & equipment	10 years
Computer equipment	5 years
Vehicles	5 years
Library collections	10 years

The capital assets include collections of works of art, gemstones and rare books which have been donated to the University. These collections are not amortized.

F. Inventory

Inventories are valued at the lower of cost and net realizable value.

G. Pension Plans

The University contributes to the Brandon University Retirement Plan which is a trustee-administered pension plan for University employees. Contributions by the University are recorded as expenses.

The accounts of the Brandon University Retirement Plan do not form part of the financial statements of the University. The Auditor General audits the financial statements of the Plan.

H. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the allowance for doubtful accounts and determination of useful lives of capital assets for amortization. Actual results could differ from these estimates.

I. Future Accounting Policy Changes

Disclosure and Presentation of Financial Instruments

The CICA has issued two new standards, CICA 3862: Financial Instruments - Disclosures and CICA 3863: Financial Instruments - Presentation which are intended to enhance the abilities of users of financial statements to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks. These new standards, which will be adopted effective April 1, 2008, will only require additional disclosures in the financial statements.

Capital Disclosures

The CICA has issued a new accounting standard, CICA 1535: Capital Disclosures, which requires the disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the entity's objective policies, and processes for managing capital. This new standard, which will be effective April 1, 2008, will only require additional disclosure in the financial statements

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

Inventories

The Canadian Accounting Standards Board has approved a new standard with respect to inventories which requires that inventories be measured at lower of cost or net realizable value, disallows the use of last-in first-out inventory costing methodology; and requires that when circumstances which previously caused inventories to be written down below cost no longer exist, the amount of the write-down is to be reversed. This new standard, which will be adopted effective April 1, 2008, is not expected to have a material impact on the University.

3. Cash and Cash Equivalents

Cash and cash equivalents are summarized as follows:

	2008	2007
Cash	\$ 2,737,338	\$ 2,882,968
Short term investments	2,856,916	3,835,876
Mutual funds	<u>46,998</u>	<u>46,998</u>
	<u>\$ 5,594,254</u>	<u>\$ 6,765,842</u>

The fair market value of the short term investments and mutual funds is \$2,856,916 (2007 - \$3,906,658).

4. Brandon University Foundation

The Brandon University Foundation operates under the authority of the Brandon University Foundation Act. The Foundation is dedicated to promoting the advancement of higher education at Brandon University and improving the quality of its facilities and activities by raising funds for future operation and capital expenditures, research and student awards.

Brandon University Foundation is not a controlled entity of Brandon University however, in the event of the dissolution of the Foundation, after the payment of all debts and liabilities, any remaining rights, property and assets of the Foundation shall be transferred or assigned to Brandon University as long as it is at that time a charitable, non-profit corporation.

The Foundation follows the deferral method of accounting for contributions. The investments of the Foundation are recorded at fair market value. The financial position of the Foundation as at December 31 is summarized as follows:

Statement of Financial Position

	2007	2006
Assets	<u>\$ 35,328,651</u>	<u>\$ 35,342,145</u>
Liabilities	<u>\$ 1,215,938</u>	<u>\$ 1,523,664</u>
Deferred contributions	<u>6,697,881</u>	<u>7,386,303</u>
Net Assets		
Unrestricted and internally restricted net assets	229,700	385,328
Endowment funds	<u>27,185,132</u>	<u>26,046,850</u>
	<u>27,414,832</u>	<u>26,432,178</u>
Total Liabilities and Net Assets	<u>\$ 35,328,651</u>	<u>\$ 35,342,145</u>

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

Statement of Operations

	2007	2006
Revenue		
Investment income	\$ 167,325	\$ 1,100,089
Donations	1,290,106	596,138
Other contributions	<u>145,940</u>	<u>206,647</u>
	<u>1,603,371</u>	<u>1,902,874</u>
Expense		
Grants to Brandon University	903,272	1,119,422
Scholarships and bursaries	802,572	758,982
Campaign expenses	36,854	448,736
Other expenses	<u>51,244</u>	<u>64,081</u>
	<u>1,793,942</u>	<u>2,391,221</u>
Net loss for the year	\$ <u>(190,571)</u>	\$ <u>(488,347)</u>

The net result of the transactions from January 1, 2008 to March 31, 2008 was a loss of \$269,901 (2007 - \$643,509 gain) and an unrealized investment loss of \$774,738 (2007 - \$746,457).

The value of outstanding pledges to the Foundation as at March 31, 2008 is \$544,109 (2007 - \$651,405). These will be recorded as revenue in the Foundation when received.

5. Internally Restricted Net Assets

Internally restricted net assets represent amounts set aside by the University for the following specific purposes:

	Opening Balance	Current Provision	Purchases	2008 Closing Balance
Ancillary Services	\$ 432,257	\$ 60,965	\$	\$ 493,222
Facility & Wellness Fee	23,862		(23,862)	
Mail/Print services	(36,439)	10,000		(26,439)
Telephone replacement	97,275	150,224	(105,030)	142,469
Vehicle replacement	<u>13,909</u>	<u>15,000</u>	<u>(14,620)</u>	<u>14,289</u>
	\$ <u>530,864</u>	\$ <u>236,189</u>	\$ <u>(143,512)</u>	\$ <u>623,541</u>

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

6. Capital Assets and Collections

			2008			2007
	Accumulated		Net Book		Accumulated	Net Book
	Cost	Amortization	Value	Cost	Amortization	Value
Land	\$ 498,680	\$	\$ 498,680	\$ 498,680	\$	\$ 498,680
Buildings	64,275,916	(34,908,244)	29,367,672	63,882,710	(33,380,218)	30,502,492
Furniture & equipment	19,002,509	(11,951,335)	7,051,174	17,995,634	(11,546,304)	6,449,330
Library collections	8,616,921	(6,055,231)	2,561,690	7,935,188	(5,626,260)	2,308,928
Collections	<u>1,192,712</u>	<u></u>	<u>1,192,712</u>	<u>1,186,216</u>	<u></u>	<u>1,186,216</u>
	<u>\$ 93,586,738</u>	<u>\$ (52,914,810)</u>	<u>\$ 40,671,928</u>	<u>\$ 91,498,428</u>	<u>\$ (50,552,782)</u>	<u>\$ 40,945,646</u>

Capital asset additions during the year included donations in kind in the amount of \$6,496 (2007- \$41,140).

7. Deferred Contributions and Unamortized Deferred Capital Contributions

Deferred contributions represent contributions received for special purposes and unspent funds for restricted purposes. Unamortized deferred capital contributions represent the funded portion of capital assets which will be recognized as revenue in future periods and matched against the applicable amortization charged in that period. Changes in the deferred contributions and unamortized deferred capital contributions balances are as follows:

	2008	2008	2007	2007
	Deferred	Unamortized	Deferred	Unamortized
	Contributions	Deferred	Contributions	Deferred
		Capital		Capital
		Contributions		Contributions
Balance, beginning of year	\$ 2,865,905	\$ 32,156,051	\$ 2,355,353	\$ 33,717,703
Contributions received	9,222,102		7,754,056	
Transfers to revenue				
Tuition, grants and contributions	(7,783,334)		(6,524,066)	
Amortization of assets acquired				
from capital assets		(2,250,301)		(2,281,090)
Transferred to acquire capital assets	<u>(1,078,030)</u>	<u>1,078,030</u>	<u>(719,438)</u>	<u>719,438</u>
Balance, end of year	<u>\$ 3,226,643</u>	<u>\$ 30,983,780</u>	<u>\$ 2,865,905</u>	<u>\$ 32,156,051</u>
Balance consists of:				
Research	\$ 2,652,952		\$ 2,374,679	
Special programs	<u>573,691</u>		<u>491,226</u>	
	<u>\$ 3,226,643</u>		<u>\$ 2,865,905</u>	

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

8. Pension Plans

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The assets of the Plan are held by CIBC Mellon Global Securities Services Company in the name of ten trustees - eight elected by and from the Plan membership and two appointed by the Board of Governors. The trustees oversee the administration of the Plan and set forth the investment guidelines. Their obligations and responsibilities are defined in a trust agreement with Brandon University. Connor, Clark & Lunn Investment Management Ltd. invests the Plan assets according to an agreement with the trustees and as required by law. The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba. Unless otherwise stated, all Brandon University employees are eligible to become members of the Plan on their date of employment. Full-time and certain part-time employees are required to join the Plan. Membership is optional for other part-time and certain specified employees. The Plan receives its funds from the contributions of members, the required and special contributions of Brandon University and the income from investments.

Actuarial valuations of the Brandon University Retirement Plan are carried out every three years and provide an estimate of the accrued pension benefits. The actuarial present value of accrued pension benefits was determined using the accrued benefit method prorated on service and using assumptions recommended by the actuary and approved by the Trustees. Based on the latest actuarial valuation of the plan conducted by Eckler Ltd., a firm of consulting actuaries, as at December 31, 2006 the accrued pension benefits were \$91,657,000. This valuation established a Plan surplus of \$4,378,000 using the accrued benefit method as at that date. As at December 31, 2007 the projected surplus was \$6,723,000. The next actuarial valuation is required as at December 31, 2009 and will be completed in 2010.

The actuarial present value of pension benefits as at December 31, and the principal components of changes in the actuarial present values during the year, were as follows:

	(in thousands of dollars)	
	2007	2006
Actuarial present value of accrued pension benefits, beginning of year	\$ 91,657	\$ 83,453
Interest accrued on benefits	5,248	5,000
Benefits accrued	3,562	3,445
Benefits paid	(4,342)	(3,680)
Actuarial loss		(391)
Change in assumption		3,830
Actuarial present value of accrued pension benefits, end of year	<u>\$ 96,125</u>	<u>\$ 91,657</u>

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant actuarial assumptions used in the valuation at December 31, 2006 were:

Rate of return on investments	5.75%
Rate of salary increases	4.00%

The actuarial value of net assets available for pension benefits has been determined at amounts that reflect long-term market trends (consistent with the assumptions underlying the valuation of accrued pension benefits). The valuation is based on a four-year moving average market method with the market value being the underlying basis. The method has been slightly modified this year. Last year, the market value was adjusted by amortizing

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

the fund's gains or losses over a four year period. This year, the market value has been adjusted by amortizing over a four year period the differences in each year between the fund's actual return and a 5.75% return, whereas last year 6% was used.

The actuarial values of net assets as at December 31 were:

	(in thousands of dollars)	
	2007	2006
Market value of net assets available for pension benefits	\$ 103,941	\$ 103,318
Market value changes not reflected in the actuarial value of net assets	<u>(1,093)</u>	<u>(7,283)</u>
Actuarial value of net assets available for pension benefits	<u>\$ 102,848</u>	<u>\$ 96,035</u>
Pension contributions by the University for the year ended March 31, 2008 were \$1,666,615 (2007 - \$1,606,957).		

9. Long Term Liability - Mortgages Payable

	2008	2007
Canada Mortgage and Housing Corporation 5 1/8% mortgage, \$41,608 combined principal and interest payable semi-annually July 1 and January 1 to 2012.	\$ 330,682	\$ 394,487
Canada Mortgage and Housing Corporation 8 1/4% mortgage, \$66,686 combined principal and interest payable semi-annually April 1 and October 1 to 2021.	<u>1,095,442</u>	<u>1,135,918</u>
	1,426,124	1,530,405
Current portion of long term debt	<u>111,002</u>	<u>104,282</u>
	<u>\$ 1,315,122</u>	<u>\$ 1,426,123</u>
Interest paid	<u>\$ 112,306</u>	<u>\$ 118,598</u>

Principal payments in the next five years are as follows:

2009	\$ 111,002
2010	\$ 118,181
2011	\$ 125,852
2012	\$ 134,050
2013	\$ 101,217

10. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of the citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

and Manitoba, the City of Brandon and citizens through fundraising campaigns.

The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. for a nominal consideration of \$1 under a 99 year lease which expires 2064 A.D. The University is reimbursed for services supplied to the auditorium as required by the agreement.

11. Knowles-Douglas Student Union Centre

The Knowles-Douglas Student Union Centre has been leased to the Knowles- Douglas Student Union Centre Inc. for the nominal consideration of \$1 per year under a 50 year lease which expires 2035 A.D. The University supplies certain services to the Centre as required by the lease.

12. Commitments

An agreement between the University and the Brandon University Students' Union Inc. provides for the equal sharing of profits of the University's bookstore operations. The Students' Union share of profits amounted to \$32,752 for the year ended March 31, 2008 (2007 - \$47,048).

13. Employee Future Benefits

The University provides severance and retiring allowance benefits based on length of service and final earnings, payable on retirement. Accounting standards require the recognition of a liability and an expense for such employee future benefits in the period in which the employee renders service in return for the benefits. The recognition date for rendered service begins on the hiring date or the date when credited service begins, and runs until the date when full eligibility is attained. The cost of these future benefits earned by employees is determined by an actuary using the projected benefit method pro rated on service and management's best estimates for the discount rate for liabilities, the rate of salary escalation and the retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. There are no assets supporting the plan benefits.

The transitional obligation arising from the adoption of the accounting standard was fully recognized as at the adoption date of April 1, 2000. Subsequent actuarial gains or losses are fully recognized in the year immediately following the year in which they arise. The most recent actuarial valuation was as at March 31, 2005 with the next valuation due at at March 31, 2009.

The accrued benefit liability for employee future benefits is reported in the University's Statement of Financial Position under accounts payable and accrued liabilities.

Information about the University's employee future benefits is as follows:

	2008	2007
Accrued benefit liability	\$ 893,000	\$ 881,000
Accrued benefit obligation	<u>950,000</u>	<u>888,000</u>
Unamortized actuarial loss	<u>\$ (57,000)</u>	<u>\$ (7,000)</u>
Net benefit cost	\$ 105,000	\$ 118,000
Employer's contributions	93,000	25,000
Benefits paid	(58,000)	(25,000)

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

The significant actuarial assumptions adopted in measuring the University's accrued benefit liability and benefit costs are as follows:

	2008	2007
Discount rate	5.5%	4.9%
Rate of compensation increase		
IUOE(A)	3.0%	3.0%
IUOE(D)	5.0%	5.0%
MGEU	5.0%	5.0%
Exempt MPO	7.5%	7.5%
Exempt ESS	5.0%	5.0%

14. Financial Instruments

Financial Risks

The financial instruments of the University consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the University is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair Value

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short term nature. The fair value of mortgages payable is not practical to determine due to their underlying terms and conditions.

15. Change in Accounting Policy

Effective April 1, 2007, Brandon University adopted the recommendations of CICA 3855: Financial Instruments - Recognition and Measurement.

This section establishes standards for recognizing and measuring financial instruments, including the accounting treatment for changes in fair value. Initially, all financial assets and liabilities must be recorded on the Statement of Financial Position at fair value. Subsequent measurement is determined by the classification of each financial asset and liability. Under this standard, all financial instruments are classified as one of: held-for-trading; loans and receivables; held-to-maturity; available-for-sale or other liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net earnings. Financial instruments classified as held-to-maturity, loans and receivables and other liabilities are measured at amortized cost. Available-for-sale financial instruments are measured at fair value, with unrealized gains and losses recognized directly in unrestricted net assets.

Upon the adoption of this new standard, the University has classified its cash and equivalents as held-for-trading which is measured at fair market value, receivables as loans and receivables which are measured at amortized cost and its accounts payable and accrued liabilities as other liabilities, which are measured at amortized cost.

As a result of application of Section 3855, the University's financial statements as at March 31, 2007 were not significantly affected.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2008

16. Restatement of Accounts

Comparative figures for the year ended March 31, 2007 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 2008.

Brandon University

**Additional Financial Information
for the year ended March 31, 2008**

The foregoing consolidated financial statements and accompanying notes to the financial statements have been audited by the Auditor General for Manitoba and are the subject of the audit report dated May 16, 2008.

The following schedules 1 through 7 have been prepared to provide additional information and are not covered in the Auditor's report. The information in schedule 6 is used for the program costing calculations.

Brandon University

Detailed Schedule of Operations - Unrestricted for the Year Ended March 31, 2008

	General Operating	Ancillary Services	Total 2008	Total 2007
REVENUES				
Tuition and other student fees	\$ 8,465,230	\$	\$ 8,465,230	\$ 8,167,011
Grants - Council on Post-Secondary Education	27,345,969	216,600	27,562,569	25,168,536
Government of Canada	77,272		77,272	
Sales of goods and services		4,833,951	4,833,951	4,981,745
Brandon University Foundation	1,895,921		1,895,921	2,071,568
Amortization of deferred capital contributions	2,250,301		2,250,301	2,281,090
External cost recoveries	1,494,493		1,494,493	1,459,141
Gain on disposal of capital assets				76,985
Miscellaneous	<u>525,398</u>	<u></u>	<u>525,398</u>	<u>921,486</u>
	<u>42,054,584</u>	<u>5,050,551</u>	<u>47,105,135</u>	<u>45,127,562</u>
EXPENSES				
Salaries - academic	16,396,629		16,396,629	15,677,857
Salaries - support	9,082,567	1,052,191	10,134,758	9,629,324
Benefits	3,864,986	162,951	4,027,937	3,894,045
Travel	996,849		996,849	1,043,079
Supplies and consumable expenses	4,315,833	1,072,719	5,388,552	5,459,773
Major renovations	1,521,372	90,742	1,612,114	1,200,195
Property taxes	139,546		139,546	117,747
Utilities	770,024	322,156	1,092,180	1,207,085
Cost of goods sold		1,893,074	1,893,074	1,915,022
Scholarships and bursaries	1,073,185		1,073,185	1,005,420
Interest on long term liabilities		112,306	112,306	118,598
Amortization	3,169,458		3,169,458	3,001,530
Loss on disposal of capital assets	<u>2,605</u>	<u></u>	<u>2,605</u>	<u></u>
	<u>41,333,054</u>	<u>4,706,139</u>	<u>46,039,193</u>	<u>44,269,675</u>
Excess of revenues over expenses	<u>\$ 721,530</u>	<u>\$ 344,412</u>	<u>\$ 1,065,942</u>	<u>\$ 857,887</u>

Brandon University

Detailed Schedule of Operations - Restricted
for the Year Ended March 31, 2008

	Research & Special Projects	Special Programs	Restricted Capital	Total 2008	Total 2007	Deferred Contributions 2008	Deferred Contributions 2007	Transfer To Statement of Operations 2008	Transfer To Statement of Operations 2007
Revenues									
Tuition fees	\$	\$ 1,204,975	\$	\$ 1,204,975	\$ 1,512,681	\$	\$	\$ 1,204,975	\$ 1,512,681
Grants									
COPSE	1,779,100	1,756,800	76,330	3,612,230	2,739,386	(801,103)	(193,709)	2,811,127	2,545,677
Province of Manitoba	631,448			631,448	693,133	(112,152)	(152,730)	519,296	540,403
Government of Canada	2,610,394			2,610,394	2,303,127	(486,906)	(535,104)	2,123,488	1,768,023
Miscellaneous	<u>1,163,055</u>			<u>1,163,055</u>	<u>505,729</u>	<u>10,089</u>	<u>(279,157)</u>	<u>1,173,144</u>	<u>226,572</u>
	<u>6,183,997</u>	<u>2,961,775</u>	<u>76,330</u>	<u>9,222,102</u>	<u>7,754,056</u>	<u>(1,390,072)</u>	<u>(1,160,700)</u>	<u>7,832,030</u>	<u>6,593,356</u>
Expenses									
Salaries - academic		1,739,277		1,739,277	1,832,684			1,739,277	1,832,684
Salaries - support	1,685,479	288,865		1,974,344	1,834,375			1,974,344	1,834,375
Benefits	211,449	276,980		488,429	481,807			488,429	481,807
Travel	345,315	255,205		600,520	619,269			600,520	619,269
Supplies and other expenses	2,413,319	302,562		2,715,881	1,763,561			2,715,881	1,763,561
Major renovations	<u>313,579</u>			<u>313,579</u>	<u>61,660</u>			<u>313,579</u>	<u>61,660</u>
	<u>4,969,141</u>	<u>2,862,889</u>		<u>7,832,030</u>	<u>6,593,356</u>			<u>7,832,030</u>	<u>6,593,356</u>
Excess of revenues over expenses									
	<u>\$ 1,214,856</u>	<u>\$ 98,886</u>	<u>\$ 76,330</u>	<u>\$ 1,390,072</u>	<u>\$ 1,160,700</u>	<u>\$ (1,390,072)</u>	<u>\$ (1,160,700)</u>	<u>\$ -</u>	<u>\$ -</u>

Brandon University

Deferred Contributions and Unamortized Deferred Capital Contributions
for the Year Ended March 31, 2008

	Research & Special Projects	Special Programs	Restricted Capital	Total 2008	Total 2007	Unamortized Deferred Capital Contributions	
						2008	2007
Contributions received							
Tuition and related fees	\$	\$ 1,204,975	\$	\$ 1,204,975	\$ 1,512,681	\$	\$
Grants	5,020,942	1,756,800	76,330	6,854,072	5,735,646		
Miscellaneous	1,163,055			1,163,055	505,729		
Expenses	(4,969,141)	(2,862,889)		(7,832,030)	(6,593,356)		
Transfers from/to:							
Unrestricted accounts	48,696			48,696	66,537		
Capital acquisitions	(985,279)	(16,421)	(76,330)	(1,078,030)	(719,438)	1,078,030	719,438
Amortization of deferred capital contributions						(2,250,301)	(2,281,090)
	<u>278,273</u>	<u>82,465</u>		<u>360,738</u>	<u>507,799</u>	<u>(1,172,271)</u>	<u>(1,561,652)</u>
Deferred balance, beginning of year	2,374,679	491,226		2,865,905	2,355,353	32,156,051	33,717,703
Reclassify deferred balances					2,753		
Restated deferred balance, beginning of year	<u>2,374,679</u>	<u>491,226</u>		<u>2,865,905</u>	<u>2,358,106</u>	<u>32,156,051</u>	<u>33,717,703</u>
Deferred balance, end of year	<u>\$ 2,652,952</u>	<u>\$ 573,691</u>	<u>\$ -</u>	<u>\$ 3,226,643</u>	<u>\$ 2,865,905</u>	<u>\$ 30,983,780</u>	<u>\$ 32,156,051</u>

Brandon University

Schedule of Investment in Capital Assets and Collections for the Year Ended March 31, 2008

	Total 2008	Total 2007
Balance, beginning of year	\$ 7,259,192	\$ 6,120,097
Internally funded capital asset additions		
General operating funds		
Land and buildings	393,207	208,747
Furniture and equipment	690,751	734,573
Library acquisitions	681,732	519,921
Ancillary services		
Furniture and equipment	<u>51,388</u>	<u>269,563</u>
	<u>1,817,078</u>	<u>1,732,804</u>
Non-amortizable capital asset donations	6,496	41,140
Disposals (net) - internally funded capital assets	(5,864)	(12,400)
Amortization of internally funded capital assets	(919,158)	(720,439)
Repayment of long term debt	<u>104,282</u>	<u>97,990</u>
Balance, end of year	\$ <u>8,262,026</u>	\$ <u>7,259,192</u>

Brandon University

Schedule of Operating Revenues
for the Year Ended March 31, 2008

	Total 2008	Total 2007
Grants		
Council on Post Secondary Education		
Operating	\$ 26,104,600	\$ 24,095,100
Renovations and equipment	<u>330,000</u>	<u>330,000</u>
	<u>26,434,600</u>	<u>24,425,100</u>
Tuition		
Campus Manitoba	40,635	57,339
Faculty of Arts	2,503,668	2,496,708
Faculty of Education	1,464,032	1,306,509
Faculty of Science	2,190,980	2,198,580
First Nations Counselling Program	54,610	70,266
School of Health Studies	905,849	867,820
School of Music	472,372	407,490
Visa Premium	<u>291,123</u>	<u>287,059</u>
	<u>7,923,269</u>	<u>7,691,771</u>
Music Conservatory	<u>392,524</u>	<u>376,244</u>
Other student fees	<u>149,437</u>	<u>98,996</u>
Brandon University Foundation	<u>394,826</u>	<u>504,693</u>
Interest income	<u>249,337</u>	<u>263,240</u>
Miscellaneous	<u>125,501</u>	<u>334,337</u>
Total Operating Revenues	<u>\$ 35,669,494</u>	<u>\$ 33,694,381</u>

BRANDON UNIVERSITY

Detailed Schedule of Operating Expenses
for the Year Ended March 31, 2008

	Academic	Support	Benefits	Travel	Supplies & Other Expenses	Deduct. Cost Recoveries	Total March 31, 2008	Total March 31, 2007
Faculty of Arts								
Office of the Dean	\$ 295,739	\$ 159,306	\$ 56,145	\$ 41,937	\$ 80,031	\$ 2,194	\$ 630,964	\$ 649,128
Drama	93,576		13,583	754	317		108,230	103,964
Economics	225,570		34,730	6,374	1,453		268,127	276,178
English	398,754		62,584	6,593	3,322	300	470,953	478,392
History	408,894		50,162	9,261	2,363		470,680	413,395
Languages	321,140		49,371	1,594	1,777		373,882	331,541
Gender & Women's Studies				510	672		1,182	108
Philosophy	220,103		31,320	4,533	1,637		257,593	286,355
Political Science	290,979		39,615	331	561		331,486	307,911
Religion	198,303		32,699	3,466	1,207		235,675	236,367
Sociology	342,561		47,903	3,152	2,474		396,090	343,119
Native Studies	196,317		28,612	3,008	2,455		230,392	277,722
Business Administration	165,761		27,439	9,094	(301)		201,993	249,197
Fine Arts	349,125	15,537	55,465	5,073	532,502	16,137	941,565	377,562
Anthropology	255,399		26,227	4,611	1,146		287,383	300,839
Rural Development	271,324		40,683	5,156	2,718	10	319,871	317,961
Archeology Field School		6,904	611	1,540	10,250	5,584	13,721	6,815
Cost Recovery	218,043		18,309		3,050		239,402	239,816
	<u>4,251,588</u>	<u>181,747</u>	<u>615,458</u>	<u>106,987</u>	<u>647,634</u>	<u>24,225</u>	<u>5,779,189</u>	<u>5,196,370</u>
Faculty of Science								
Office of the Dean	142,970	158,726	52,225	34,001	36,623	2,527	422,018	396,404
Applied Disaster & Emergency Studies	197,770	789	29,888	14,776	6,798		250,021	253,565
Biology	886,341	23,978	130,759	15,594	56,983	8,707	1,104,948	1,062,857
Chemistry	397,017	10,511	60,599	6,955	31,433	20,562	485,953	441,508
Environmental Science	97,823		14,012	2,424	922	20	115,161	106,690
Geography	502,777	8,326	76,820	8,790	18,400	2,335	612,778	593,377
Geology	341,181	7,394	54,168	10,292	16,177	2,785	426,427	361,535
Mathematics/Comp. Sci.	889,841	16,744	133,717	9,366	13,550	423	1,062,795	998,571
Physics/Astronomy	353,217	1,883	58,362	8,924	20,115	1,628	440,873	430,040
Psychology	670,034	15,471	99,736	9,102	11,826		806,169	749,429
Cost Recovery	60,475	2,807	5,097		4,143	1,080	71,442	46,616
	<u>4,539,446</u>	<u>246,629</u>	<u>715,383</u>	<u>120,224</u>	<u>216,970</u>	<u>40,067</u>	<u>5,798,585</u>	<u>5,440,592</u>
School of Health Studies								
Office of the Dean	113,178	43,427	22,470	35,996	12,307		227,378	230,057
Psychiatric Nursing	1,396,837	62,751	228,547	25,823	283,948	460	1,997,446	1,901,274
Bachelor of Nursing	971,791	72,050	164,394	8,531	35,570	550	1,251,786	1,268,948
Cost Recovery	71,081		6,068				77,149	35,554
	<u>2,552,887</u>	<u>178,228</u>	<u>421,479</u>	<u>70,350</u>	<u>331,825</u>	<u>1,010</u>	<u>3,553,759</u>	<u>3,435,833</u>

BRANDON UNIVERSITY

Detailed Schedule of Operating Expenses
for the Year Ended March 31, 2008

	Academic	Support	Benefits	Travel	Supplies & Other Expenses	Deduct Cost Recoveries	Total March 31, 2008	Total March 31, 2007
Faculty of Education								
Office of the Dean	280,086	116,497	55,210	40,574	16,999	5,044	504,322	552,245
Field Experience	225,250	38,876	29,364	18,327	10,527	7,124	315,220	317,569
Teacher Education	1,411,023		176,174		16,003	4,067	1,599,133	1,527,550
Physical Education	467,115		74,328		22,856	5,705	558,594	519,074
Graduate Studies	123,636	40,554	17,585	5,531	5,867	440	192,733	89,895
Cost Recovery	<u>121,764</u>	<u>538</u>	<u>6,681</u>	<u>3,755</u>	<u>2,725</u>	<u>1,523</u>	<u>133,940</u>	<u>107,064</u>
	<u>2,628,874</u>	<u>196,465</u>	<u>359,342</u>	<u>68,187</u>	<u>74,977</u>	<u>23,903</u>	<u>3,303,942</u>	<u>3,113,397</u>
School of Music	1,708,196	118,688	256,444	70,687	218,677	53,840	2,318,852	2,263,105
Cost Recovery		<u>4,414</u>					<u>4,414</u>	
	<u>1,708,196</u>	<u>123,102</u>	<u>256,444</u>	<u>70,687</u>	<u>218,677</u>	<u>53,840</u>	<u>2,323,266</u>	<u>2,263,105</u>
First Nations Counselling	218,974	36,501	39,116	6,309	45,623	680	345,843	345,361
Cost Recovery	<u>12,035</u>		<u>1,312</u>		<u>2,385</u>	<u>3,080</u>	<u>12,652</u>	<u>3,225</u>
	<u>231,009</u>	<u>36,501</u>	<u>40,428</u>	<u>6,309</u>	<u>48,008</u>	<u>3,760</u>	<u>358,495</u>	<u>348,586</u>
Campus Manitoba	26,533		2,253		1,554		30,340	68,957
Music Conservatory	<u>363,923</u>	<u>31,725</u>	<u>5,381</u>	<u>825</u>	<u>21,759</u>	<u>1,833</u>	<u>421,780</u>	<u>387,697</u>
Total Academic	<u>16,302,456</u>	<u>994,397</u>	<u>2,416,168</u>	<u>443,569</u>	<u>1,561,404</u>	<u>148,638</u>	<u>21,569,356</u>	<u>20,254,537</u>
Library Services		<u>1,162,069</u>	<u>194,918</u>	<u>18,734</u>	<u>260,395</u>	<u>161,452</u>	<u>1,474,664</u>	<u>1,499,811</u>
Student Services								
Student Services		1,299,310	216,705	55,306	124,902	12,080	1,684,143	1,646,372
Athletic Programs		<u>340,651</u>	<u>44,529</u>	<u>250,224</u>	<u>291,618</u>	<u>241,960</u>	<u>685,062</u>	<u>633,879</u>
		<u>1,639,961</u>	<u>261,234</u>	<u>305,530</u>	<u>416,520</u>	<u>254,040</u>	<u>2,369,205</u>	<u>2,280,251</u>
Administration								
Board of Governors		36,730	5,503	2,205	19,082	100	63,420	61,194
President		424,231	43,940	23,452	110,906		602,529	553,546
Vice-President (Administration & Finance)		190,153	27,666	10,682	51,840		280,341	216,639
Vice-President (Academic & Research)		<u>310,691</u>	<u>50,081</u>	<u>29,016</u>	<u>41,909</u>	<u>11,755</u>	<u>419,942</u>	<u>294,957</u>
		<u>961,805</u>	<u>127,190</u>	<u>65,355</u>	<u>223,737</u>	<u>11,855</u>	<u>1,366,232</u>	<u>1,126,336</u>

BRANDON UNIVERSITY

Detailed Schedule of Operating Expenses
for the Year Ended March 31, 2008

	Academic	Support	Benefits	Travel	Supplies & Other Expenses	Deduct Cost Recoveries	Total March 31, 2008	Total March 31, 2007
General Support								
Chancellor				632			632	1,394
Convocation		3,038	299	4,875	25,885	1,695	32,402	26,650
Information Technology Services		701,341	119,136	9,734	483,214	487,297	826,128	745,844
Institutional Advancement		377,210	55,494	8,181	129,080	8,186	561,779	603,926
Financial & Registration Services		597,791	119,379	4,295	90,126	47,866	763,725	676,111
Gymnasium facility		71,906	9,636		9,606	10,554	80,594	95,085
Human Resources		376,356	131,876	5,731	81,917		595,880	525,126
Institutional membership fees					33,550		33,550	33,226
Print/Mail Services		57,482	10,880		(53,810)		14,552	23,476
Professional fees					120,614		120,614	225,920
Senate		<u>235,372</u>	<u>36,578</u>	<u>150</u>	<u>29,595</u>	<u>2,515</u>	<u>299,180</u>	<u>289,510</u>
		<u>2,420,496</u>	<u>483,278</u>	<u>33,598</u>	<u>949,777</u>	<u>558,113</u>	<u>3,329,036</u>	<u>3,246,268</u>
Miscellaneous Initiatives								
B. J. Hales Museum		14,842	2,909		581	3,435	14,897	14,148
Bran-U-Day Care subsidy					4,830		4,830	4,730
Office of International Activities		51,395	8,926	11,290	13,754		85,365	75,471
English for Academic Purposes		111,484	10,207	1,287	19,841	184,726	(41,907)	(19,446)
Research development/buyouts/USRA					66,826		66,826	22,050
Other	16,027	53,715			82,905		152,647	55,027
Junior Kindergarten		39,065	6,319		1,211	37,319	9,276	8,068
Recruitment & promotion					45,376		45,376	59,381
Rural Development	78,146	46,959	22,630	3,821	28,218	247	179,527	199,009
International Student Scholarships					54,746		54,746	58,733
University scholarships					<u>204,547</u>		<u>204,547</u>	<u>187,704</u>
	<u>94,173</u>	<u>317,460</u>	<u>50,991</u>	<u>16,398</u>	<u>522,835</u>	<u>225,727</u>	<u>776,130</u>	<u>664,875</u>
Physical Plant								
Plant maintenance		741,786	154,738	18,791	316,754	65,144	1,166,925	973,963
Buildings & grounds		466,821	142,025		69,434		678,280	779,871
Insurance					178,114		178,114	175,447
Security					65,483		65,483	55,347
Service Contracts					36,390		36,390	48,547
Property Taxes					138,472		138,472	134,175
Utilities					<u>770,024</u>	<u>69,524</u>	<u>700,500</u>	<u>686,165</u>
		<u>1,208,607</u>	<u>296,763</u>	<u>18,791</u>	<u>1,574,671</u>	<u>134,668</u>	<u>2,964,164</u>	<u>2,853,515</u>
Total Operating Expenses	\$ <u>16,396,629</u>	\$ <u>8,704,795</u>	\$ <u>3,830,542</u>	\$ <u>901,975</u>	\$ <u>5,509,339</u>	\$ <u>1,494,493</u>	\$ <u>33,848,787</u>	\$ <u>31,925,593</u>

Brandon University

Detailed Schedule of Ancillary Services
for the year ended March 31, 2008

	Bookstore	Food Services	Parking	Residence	Total 2008	Total 2007
Revenues						
Room and board fees	\$	\$ 1,009,419	\$	\$ 1,156,050	\$ 2,165,469	\$ 2,058,145
Conventions		96,649		84,879	181,528	432,665
Canteen and vending machines		182,625			182,625	158,221
Internal functions		96,596			96,596	98,055
Other	133,293	50,156	164,433	155,882	503,764	506,645
Book sales	<u>1,703,969</u>				<u>1,703,969</u>	<u>1,728,014</u>
Total Revenues	<u>1,837,262</u>	<u>1,435,445</u>	<u>164,433</u>	<u>1,396,811</u>	<u>4,833,951</u>	<u>4,981,745</u>
Expenses						
Salaries	255,863	524,015	75,054	197,259	1,052,191	1,003,845
Staff benefits	39,423	83,729	10,184	29,615	162,951	160,357
Cost of goods sold	1,327,450	565,624			1,893,074	1,915,022
Supplies and other expenses	101,848	143,377	52,268	795,463	1,092,956	1,373,888
Rent	37,753				37,753	35,877
Utilities		76,194	5,762	240,200	322,156	468,877
Students' Union share of Bookstore profit	<u>32,752</u>				<u>32,752</u>	<u>47,048</u>
Total Expenses	<u>1,795,089</u>	<u>1,392,939</u>	<u>143,268</u>	<u>1,262,537</u>	<u>4,593,833</u>	<u>5,004,914</u>
Net Gain/(Loss) from Operations before Specific Provision and capital acquisitions	42,173	42,506	21,165	134,274	240,118	(23,169)
Appropriated Specific Provision	(9,420)	(5,045)		(46,500)	(60,965)	(137,790)
Capital acquisitions		(28,462)		(22,926)	(51,388)	(269,562)
Net Gain/(Loss)	<u>\$ 32,753</u>	<u>\$ 8,999</u>	<u>\$ 21,165</u>	<u>\$ 64,848</u>	<u>\$ 127,765</u>	<u>\$ (430,521)</u>

